

MATTHIAS W. BALDWIN, FOUNDER
1831

**ANNUAL REPORT
1941**

**THE
BALDWIN LOCOMOTIVE WORKS
CONSOLIDATED**

**BOARDS
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THIRTY-FIRST ANNUAL REPORT

**THE
BALDWIN LOCOMOTIVE WORKS**

PHILADELPHIA, PA.



LOCOMOTIVE AND ORDNANCE DIVISION

STANDARD STEEL WORKS DIVISION

BALDWIN SOUTHWARK DIVISION

CRAMP BRASS AND IRON FOUNDRIES DIVISION

BALDWIN DE LA VERGNE SALES CORPORATION

THE PELTON WATER WHEEL COMPANY

THE WHITCOMB LOCOMOTIVE COMPANY

THE MIDVALE COMPANY

December 31, 1941

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

VOTING TRUSTEES

PHILIP C. STAPLES, Chairman

ARNOLD BERNHARD
ROBERT K. CASSATT

WM. FULTON KURTZ
JOHN B. THAYER

DIRECTORS

ARNOLD BERNHARD
CHARLES E. BRINLEY
JOHN W. CONVERSE
JOSEPH N. EWING
HARRY L. FREVERT
WILLIAM H. HARMAN
EDWARD HOPKINSON, JR.
CONRAD N. LAUER
JEROME PRESTON
ROBERT C. SHIELDS
JAMES M. SKINNER
CHARLES L. STILLMAN

New York, N. Y.
Chestnut Hill, Pa.
Rosemont, Pa.
Valley Forge, Pa.
Philadelphia, Pa.
Merion, Pa.
Chestnut Hill, Pa.
Penllyn, Pa.
Boston, Mass.
Detroit, Mich.
Philadelphia, Pa.
New York, N. Y.

EXECUTIVE COMMITTEE

CONRAD N. LAUER, Chairman

ARNOLD BERNHARD
CHARLES E. BRINLEY

HARRY L. FREVERT
EDWARD HOPKINSON, JR.

ROBERT C. SHIELDS

OFFICERS

CHARLES E. BRINLEY
WILLIAM H. HARMAN
CHARLES E. ACKER
CARLOS F. NOYES

President
Vice-President in Charge of Sales
Secretary and Treasurer
Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

GENERAL OFFICES AND PLANT

AT

BALDWIN, EDDYSTONE, PENNSYLVANIA

TRANSFER AGENTS

Common Stock, \$13 Par Value
Voting Trust Certificates Representing Same

IN PHILADELPHIA:

Fidelity-Philadelphia Trust Company
135 South Broad Street

IN NEW YORK:

Bankers Trust Company, 16 Wall Street

Preferred Stock, 7% Cumulative, \$30 Par Value
Warrants for the Purchase of \$13 Par Value Common Stock

IN PHILADELPHIA:

Drexel & Co., 15th and Walnut Streets

IN NEW YORK:

J. P. Morgan & Co. Incorporated, 23 Wall Street

REGISTRARS

Preferred Stock, 7% Cumulative, \$30 Par Value
Common Stock, \$13 Par Value
Voting Trust Certificates Representing Same

IN PHILADELPHIA:

The Pennsylvania Company for Insurances on Lives and Granting Annuities
15th and Chestnut Streets

IN NEW YORK:

Guaranty Trust Company of New York
140 Broadway

TO THE STOCKHOLDERS:

The year (1941) has been one of readjustment and of mobilization of your Company's facilities in order that its many resources might be turned, in the beginning, to the vigorous support of the program of preparedness and defense and thereafter to an all out effort in order that The Baldwin Locomotive Works may contribute its maximum of assistance to our Country at war.

In all of the divisions and subsidiaries of the consolidated Company, except Locomotive and Ordnance Division, the new work undertaken has been generally an expansion in the same field of operations with which these divisions and subsidiaries have long been familiar. This fact has been of great value because it enabled them to take large quantities of new business with a minimum of change in personnel or equipment, two factors which made for efficient operation and quickly increased output.

In Locomotive and Ordnance Division, however, during the early part of the year, we had relatively few steam locomotives to construct, but were called upon to undertake a variety of new work for the Army and Navy of the United States, which included military tanks, anti-aircraft gun mounts, gun barrels, barbettes and other items essential to the war program. After midyear steam locomotive orders considerably increased but by that time much of the essential material for these locomotives had become very difficult to obtain. Manufacturing operations for a time were therefore delayed and locomotive deliveries correspondingly interrupted, though in more recent months this situation has improved and some of the needed material has been acquired.

With respect to the items of ordnance above referred to, a different problem was involved. Though it was less difficult to secure material, nevertheless it was necessary in each case where an important new product was undertaken, to plan production, secure personnel and equipment, and educate operatives and supervisors, all of which entailed heavy initial expenses for preparatory work before actual production could get under way. It may now be said, however, that the ordnance orders are "rolling" and that substantial shipments have been made, though we have by no means

reached the volume of which we shall eventually be capable. Under arrangement with Defense Plant Corporation, an instrumentality of the United States Government, the use of certain required additional machine tools has been made available.

During 1941 we received orders for 188 steam locomotives and made and shipped 67. In the Diesel-electric field we received orders for 112 locomotives and shipped 71. Thirty-four railroads have now purchased Baldwin Diesel switching locomotives and are using them with satisfaction. Plans for the improvement and expansion of our Diesel locomotive program are going forward as rapidly as circumstances permit. Our wholly owned subsidiary, The Whitcomb Locomotive Company, continued its important position in the field of smaller motive power and today has large orders on its books with priorities which it is believed will assure an opportunity to complete these orders.

The volume of consolidated billings during the year amounted to \$104,385,236 or about double the 1940 figure. Correspondingly there occurred a large increase in the number of employees on the Company's rolls. On January 1, 1941, the consolidated Baldwin Group employed a total of 12,328 persons; on January 1, 1942, 20,486. In the Locomotive and Ordnance Division at the Eddystone plant, where much of the new work is concentrated, the number of men in the shops increased from 3,275 to 7,637. The total compensation of all employees in the Baldwin organization, including subsidiaries, amounted to \$39,335,206; purchases of materials and supplies amounted to \$60,789,887; and provision for taxes amounted to \$10,715,914 including social security taxes, \$1,462,478, Federal income and excess profits taxes, \$7,918,700 and Pennsylvania income tax, \$377,500.

Due to the difficulty of securing trained men and foreseeing the demand for them, your Company organized a training school in which young men are taught by actual work on machine tools and are educated to a point where they may be used as machine operatives on productive operations. This school, started in October, 1940, has trained and put to work in the Eddystone shops about 1,500 men.

The total unfilled orders entered on the books of the consolidated Company on January 1, 1942 was \$251,978,723. The amount of Midvale's orders included in this backlog was \$90,731,203. We believe, however, that we shall be asked to substantially further expand our productive operations and that additional orders will be placed with us. For the execution of such increased orders we shall rely to a large extent upon the services of subcontractors with whom we have already placed a very considerable volume of business. Your Company has become one of the most important privately-owned arsenals in the East, and its directors and executive officers realize the responsibility which is thus imposed upon them and are exerting their utmost efforts to fulfill their obligations in this time of emergency.

Because so large a part of our business has to do with orders from and supervision by some branch of the Government of the United States, your Company has opened an office in Washington, D. C., with a competent and experienced man in charge, to facilitate clearances and negotiations with Government Departments.

Substantial improvements have been made in the physical property of your Company, largely as the result of the installation of new machine tools and other up-to-date mechanical devices. The expenditures on these improvements charged to Property, Plant and Equipment during the year amounted to about \$3,000,000, or approximately 60 per cent more than the annual charge to Depreciation Account. Current maintenance, chargeable to Expense Account, has been carried on during the year to a degree considered adequate to preserve existing plant in good working order.

Even before our actual participation in the war, the subject of plant protection against fire or possible sabotage received constant attention, and every reasonable precaution we could devise or which has been suggested by a public authority has been arranged for.

The Company has maintained, during the year, all the services which it normally offers to employees through its dispensary (now with two additional shop stations), the dental clinic, the cafeteria, and group life insurance. In addition, arrangements have been made

to enable employees who desire to purchase Government defense bonds to do so by deductions from pay roll.

During the year, as evidence of improved earnings by your Company became apparent, a number of inquiries have been received as to the prospect of a common stock dividend. It must be pointed out that, though the earnings of the consolidated Company (after deduction of provision by The Midvale Company of reserve for war contingencies and payment of Baldwin preferred stock dividends) equalled \$3.70 per share on the common stock for the year (as compared with \$1.75 for 1940) \$.60 of this is represented by undistributed earnings of The Midvale Company and your Company is still seriously lacking in cash working capital. At the close of business on December 31, 1941, exclusive of The Midvale Company, your Company's cash in bank equalled \$3,627,029; but there were short-term bank loans owing by your Company totaling \$8,000,000. When all this is taken into consideration it seems evident that reasonable prudence on the part of the directors would indicate a postponement of declaration of dividends on the common shares until such time as the current position of the Company has further improved.

During the summer The Midvale Company and the Standard Steel Works Division of The Baldwin Locomotive Works were each honored by the award of the flag of the Bureau of Ordnance of the United States Navy together with the Navy Pennant "E" signifying distinguished service and excellence in the production of ordnance materiel specified on Navy contracts.

In September the Company sold approximately eleven acres of unused marsh land located on the eastern boundary of its Eddystone property to the Central Delaware County Authority for use as a site for a sewage disposal plant which will eventually service the territory in which Baldwin's Eddystone plant is located. At the same time a right of way along the eastern boundary of its property was granted by the Company upon which the Commonwealth of Pennsylvania has constructed a fifty-six foot highway which is proving of great value in relieving traffic congestion incident to the acceleration of the Company's manufacturing activities.

The Company's wholly owned subsidiary, Federal Steel Foundry Company (in process of liquidation since 1931) sold in March a large steel building located on its property in Chester, Pa., to the Sun Shipbuilding & Dry Dock Co. which dismantled the building and removed it to its own premises. No sales of unused property in Philadelphia were made but rentals realized from leased portions of this property continue to largely offset ordinary carrying charges.

On December 7th the whole Baldwin organization was shocked and distressed by the unexpected and sudden death, following an automobile accident, of William Holland Winterrowd, Vice-President in Charge of Operations and a director of the Company. During the three brief years of Mr. Winterrowd's connection with the Company, he had won the universal respect and affection of his associates; and he was principally responsible for the creation of much of the greater and expanded organization which is today successfully producing in progressively increasing quantities the new work which the Company has been asked to undertake.

The death of Mr. Charles H. Schlacks, a director of The Baldwin Locomotive Works and of The Midvale Company, on March 3, 1941 is noted with sorrow and regret.

Mr. William L. Batt and Mr. Thomas S. Gates resigned during the year as Voting Trustees of the common stock of the Company because of their acceptance of appointments by the United States Government in the Office of Production Management. The remaining Voting Trustees elected Mr. John B. Thayer and Mr. William Fulton Kurtz, both of Philadelphia, to fill the vacancies caused by these resignations.

This report would fail to tell an important part of the story of the year if it did not emphasize the loyal support and co-operation Management has received from all employees including the members of the senior and junior staff and the men in the shops and offices. The production results achieved would not otherwise have been possible. Renewed assurances of loyalty and co-operation were spontaneously made by many employees immediately following the declaration of war by the Congress on December 8th; the spirit of

all hands is good and it is the belief of the Management that Baldwin men and women may be depended upon to do their full share in the great undertaking which lies before them.

The consolidated results of operation for the years 1941 and 1940 are summarized as follows:

	<u>1941</u>	<u>1940</u>
Consolidated sales (including Midvale)	\$104,385,236	\$51,102,729
of which sales of locomotive products were \$26,464,599 in 1941 and \$14,565,851 in 1940.		
Profit before provision for income and other taxes, depreciation, interest, and minority equity.....	\$19,072,536	\$10,809,184
Taxes (income and other).....	10,715,914	5,309,717
Depreciation.....	1,854,957	1,849,002
Interest.....	554,051	461,807
Minority equity.....	1,541,965	1,244,586
Net profit for the year.....	\$4,405,649	\$1,944,072
after including Baldwin's share of earnings of The Midvale Company which in 1941 was \$2,462,085 and in 1940 was \$1,984,750		

Deduct:

Baldwin proportion of reserve for war contingencies provided by The Midvale Company.....	430,150	—
Balance transferred to surplus.....	\$3,975,499	\$1,944,072

After deducting preferred stock dividends in the amount of \$163,029.30, the remainder of the above shown balance of net profit for the year, \$3,812,470, was equivalent to \$3.70 per share on the outstanding common stock.

The provision for income and other taxes equaled \$7.55 per share of Baldwin common stock, after excluding the portion of such taxes corresponding to the minority equity in The Midvale Company.

Unfilled orders (including Midvale) at the beginning and end of the year 1941, after intercompany eliminations, were as follows:

	<u>January 1st</u>	<u>December 31st</u>
For new locomotives.....	\$10,268,269	\$31,029,347
For other products (including locomotive parts).....	141,106,142	220,949,376
	<u>\$151,374,411</u>	<u>\$251,978,723</u>

Inventories increased from \$17,497,039 on January 1st to \$32,745,372 at the end of the year. About 70% of the closing inventories is represented by work in process on customers' sales orders. During the last half of the year inventories were checked by count or weight wherever possible and in all other cases by careful physical inspection and estimate. In the opinion of the Company's officers, inventories are conservatively valued through provision of reserves considered adequate for obsolescence or other deficiency.

Consolidated net current assets at the beginning and end of the year 1941 were as follows:

	<u>January 1st</u>	<u>December 31st</u>
Parent Company and subsidiaries other than The Midvale Company.....	\$8,116,497	\$11,000,124
The Midvale Company*.....	9,008,796	11,166,100
Consolidated total.....	<u>\$17,125,293</u>	<u>\$22,166,224</u>

* Exclusive of Baldwin voting trust certificates and warrants owned by Midvale, which it carries as marketable securities in current assets, but which are shown under investments in the consolidated total assets.

The Midvale Company paid dividends during the year amounting to \$2,297,402, of which \$1,413,350 was received by the parent Company.

There are submitted herewith:

Consolidated Balance Sheet at December 31, 1941, showing separately the assets and liabilities of The Midvale Company, and of the parent Company and its subsidiaries other than The Midvale Company.

Consolidated Statements of Profit and Loss, Surplus and General Reserve for the year 1941.

Auditors' Report.

A copy of the annual report of The Midvale Company for the year 1941 is being mailed with this report for further information as to the affairs of that Company.

This report is submitted on behalf of the Board of Directors.

CHARLES E. BRINLEY,

February 11, 1942.

President.

THE BALDWIN LO

CONSOLIDATED BALANCE

ASSETS	Consolidated Total	Including Subsidiaries other than Midvale	The Midvale Company
Property, Plant and Equipment (Note 1).....	\$67,928,612.05	\$54,347,193.49	\$13,581,418.56
Less—Reserve for Depreciation.....	29,990,017.67	23,164,658.88	6,825,358.79
	<u>\$37,938,594.38</u>	<u>\$31,182,534.61</u>	<u>\$6,756,059.77</u>
Refunding Mortgage Bond Sinking Fund Cash.....	\$7,065.00	\$7,065.00	—
Investments:			
General Steel Castings Corporation Common Stock (at cost less reserve, \$5,002,949.00).....	\$1.00	\$1.00	—
The Baldwin Locomotive Works Voting Trust Certificates and Warrants (at cost less reserve, \$36,000.00. Value at market quotations, Decem- ber 31, 1941, \$92,650.00) (Note 2).....	92,479.69	—	—
The Midvale Company Stock (at cost less capital distribution) (Note 6).....	—	926,879.38	—
Other Investments (less reserve, \$83,000.00).....	52,002.00	52,002.00	—
	<u>\$144,482.69</u>	<u>\$978,882.38</u>	<u>—</u>
Notes and Other Credit Instruments and Accounts Re- ceivable not realizable within one year (including past due foreign items, \$1,375,435.55, and less re- serve, \$1,400,269.08).....	\$386,332.29	\$383,708.16	\$2,624.13
Special Production Facilities (Note 3).....	<u>\$526,895.21</u>	—	<u>\$526,895.21</u>
Current Assets:			
Cash on Deposit and on Hand.....	\$6,055,236.39	\$3,627,029.18	\$2,428,207.21
Cash Advanced on Contracts in Process (deposited in special bank accounts. See contra):			
Production Contracts.....	6,575,987.84	6,575,987.84	—
United States Navy Facilities Contract.....	1,351,954.92	—	1,351,954.92
United States Treasury Tax Notes.....	3,250,000.00	—	3,250,000.00
Sundry Securities (less reserve, \$74,830.25. Value at market quotations, December 31, 1941, \$133,765.93) (Note 4).....	125,477.52	61,323.39	156,633.82
Notes and Other Credit Instruments and Accounts Receivable due in 1941 (less reserve, \$68,378.40)..	11,977,418.72	7,356,816.43	4,673,397.63
Inventories of Raw Materials, Supplies, Work in Process and Finished Products (less reserve, \$740,630.51) (Note 5).....	32,745,372.55	21,971,364.09	10,774,008.46
	<u>\$62,081,447.94</u>	<u>\$39,592,520.93</u>	<u>\$22,634,202.04</u>
Deferred Charges.....	\$156,745.90	\$91,549.49	\$65,196.41
	<u>\$101,241,563.41</u>	<u>\$72,236,260.57</u>	<u>\$29,984,977.56</u>

See balance sheet notes on page 14, which are an integral part of this balance sheet.

COMOTIVE WORKS

SHEET, DECEMBER 31, 1941

LIABILITIES	Consolidated Total	Including Subsidiaries other than Midvale	The Midvale Company
Refunding Mortgage Bonds:			
6% Convertible Series due 1950 (Note 9).....	\$6,467,900.00	\$6,467,900.00	—
Current Liabilities:			
Bank Loans Payable (Note 6).....	\$8,000,000.00	\$8,000,000.00	—
Accounts Payable.....	9,208,870.53	8,048,837.11	\$1,212,828.76
Advances Received on Contracts in Process:			
Production Contracts (including \$6,575,987.84 de- posited in special bank accounts per contra)....	9,730,336.14	8,516,166.89	1,214,169.25
United States Navy Facilities Contract (per contra)	1,351,954.92	—	1,351,954.92
Accrued Accounts:			
Payroll, Contingent Compensation, Commissions, etc.....	2,229,049.16	1,693,623.16	535,426.00
Federal and Pennsylvania Income Taxes.....	8,129,200.00	1,571,200.00	6,558,000.00
Other Taxes.....	1,059,276.86	632,389.46	426,887.40
Interest.....	130,179.98	130,179.98	—
Other.....	76,355.63	—	76,355.63
	\$39,915,223.22	\$28,592,396.60	\$11,375,621.96
General Mortgage Bonds:			
4% Series due 1947, deposited as col- lateral for bank loans (Note 6)..... \$6,000,000.00			
Reserved to reimburse company for pay- ment of First Mortgage Bonds ma- tured May 1, 1940.....	2,295,000.00		
	\$8,295,000.00		
General Reserve (Note 8).....	\$2,168,061.32	\$261,244.53	\$1,906,816.79
Miscellaneous Reserves and Deferred Credits.....	795,011.39	491,837.47	303,173.92
Reserve for War Contingencies.....	700,000.00	—	700,000.00
	\$3,663,072.71	\$753,082.00	\$2,909,990.71
Equity of Minority Stockholders in the Capital Stock and Surplus of The Midvale Company, 38.55%.....	\$6,052,105.16	—	—
Capital Stock and Surplus:			
Preferred Stock, 7% cumulative, \$30 par (liquidating and call value \$40 per share) (Note 9):			
Authorized and Issued or Issuable, 77,633 shares...	\$2,328,990.00	\$2,328,990.00	—
Common Stock, \$13 par (Note 9):			
Authorized, 3,000,000 shares			
Issued or Issuable, 1,028,742 shares.....	13,373,646.00	13,373,646.00	—
(Reserved for conversion of Refunding Mortgage Bonds, 6% Convertible Series due 1950, 420,413 shares and for exercise of Warrants, 620,387 shares)			
Common Stock of The Midvale Company.....	—	—	\$10,574,621.02
	\$15,702,636.00	\$15,702,636.00	\$10,574,621.02
Deduct—Treasury Common Stock (254 shares).....	3,302.00	3,302.00	—
	\$15,699,334.00	\$15,699,334.00	\$10,574,621.02
Surplus as per annexed statement, page 16:			
Capital Surplus.....	23,164,240.16	16,429,490.82	—
Earned Surplus.....	6,279,688.16	4,294,057.15	5,124,743.87
	\$45,143,262.32	\$36,422,881.97	\$15,699,364.89
	\$101,241,563.41	\$72,236,260.57	\$29,984,977.56

See balance sheet notes on page 14, which are an integral part of this balance sheet.
For contingent liabilities, \$638,333.56, see Note 7.

BALANCE SHEET NOTES

(1) Property, Plant and Equipment includes \$57,963.64 represented by equipment purchased under conditional sales agreements, payable in semi-annual installments to March 15, 1942. Title to such equipment is held by the seller until the full purchase price is paid.

(2) The Baldwin Locomotive Works voting trust certificates representing \$13 par value common stock, and warrants, owned by The Midvale Company, shown under Investments in the consolidated total assets, are included in Sundry Securities of The Midvale Company.

(3) Special Production Facilities consist of charges segregated from current work in process inventory of The Midvale Company, representing the unabsorbed balance of direct cost incurred on certain sales orders in furnishing production facilities specifically for their performance. These charges have been stated apart from current assets because a portion thereof, the amount of which is not determinable at this time, will not be realized in the ordinary course through charge to cost of shipments within one year.

(4) Sundry Securities include \$60,000 par value of U. S. Treasury 2½% notes and bonds and \$37,000 par value of U. S. Treasury 2¼% bonds at cost of \$99,918.77, deposited to secure the payment in accordance with the Workmen's Compensation Law of Pennsylvania, of compensation on account of accidents.

(5) Inventories of raw materials and bulk supplies are priced at the lower of average cost or replacement market. Miscellaneous materials and parts and sundry supplies (upon a first-in, first-out basis) and work in process and finished products (upon the basis of specific items) were priced at cost or less, about 75% being covered by sales orders at prices in excess of inventory value, the remainder being valued conservatively in the opinion of the management by the provision of reserves considered adequate for obsolescence or other deficiency.

(6) General Mortgage Bonds of The Baldwin Locomotive Works, 4% Series due 1947, in the principal amount of \$6,000,000, and 177,000 shares of capital stock of The Midvale Company, out of a total of 368,700 shares owned by The Baldwin Locomotive Works, are deposited as collateral security for bank loans in the amount of \$8,000,000 on December 31, 1941.

The market quotation for stock of The Midvale Company was \$38 per share on December 31, 1941, equivalent at said per share price, to \$6,726,000 for the shares deposited as collateral security for bank loans, and to \$14,010,600 for all of the shares owned by The Baldwin Locomotive Works.

(7) There were contingent liabilities on December 31, 1941, amounting to \$638,333.56 with respect to notes receivable discounted and assignment of conditional sales agreements.

(8) The balance sheet of The Midvale Company carries the following note with reference to its current liabilities and general reserve: Reports of Federal income taxes for 1939 and prior years have been examined and adjusted by the United States Treasury Department, and settlement has been made on the basis of such adjustment. Pennsylvania income taxes for 1939 and prior years have been correspondingly adjusted. The returns filed for 1940 have not yet been examined. Due provision has been made in the current liabilities for the estimated income taxes payable for the year 1941. The general reserve is considered adequate for contingencies in general, including any liability which may arise for income taxes in excess of the amount provided in current liabilities.

(9) On December 31, 1941, the shares of preferred and common stocks issuable but not yet issued, consisted of:

139 shares of Preferred Stock, 7% Cumulative, \$30 Par Value, held for payment of interest coupons matured on or before September 1, 1940, on Refunding Mortgage Bonds or for exchange for interest coupons on previously outstanding Consolidated Mortgage Bonds;

2,496 shares of Common Stock, \$13 Par Value, held for exchange for 832 shares of previously outstanding preferred stock; and;

4,600 shares of Common Stock, \$13 Par Value, held for exchange for 46,000 shares of previously outstanding common stock.

Refunding Mortgage Bonds, 6% Convertible Series due March 1, 1950 (interest payable March 1st and September 1st) are convertible into Common Stock, \$13 Par Value, at the rate of 65 shares for each \$1,000 bond, to and including September 1, 1945, and thereafter at the rate of 55 shares for each \$1,000 bond.

Outstanding Warrants for the purchase of Common Stock, \$13 Par Value, at \$15 per share, expire September 1, 1945.

THE BALDWIN LOCOMOTIVE WORKS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1941

Sales.....		\$104,385,235.80
Less:		
Cost of Sales, including Selling, Administrative and General Expenses.....	\$87,033,069.46	
Provision for Depreciation.....	1,854,956.87	
		<u>88,888,026.33</u>
Operating Profit.....		\$15,497,209.47
Other Income:		
Dividends.....	\$42,135.00	
Interest and Discount.....	192,548.79	
Miscellaneous.....	86,060.38	
		<u>320,744.17</u>
Operating Profit and Other Income.....		\$15,817,953.64
Other Expenses:		
Interest.....	\$554,051.13	
Contingent Compensation dependent upon profits (including The Midvale Company, \$375,000.00).....	933,001.11	
Miscellaneous.....	87,087.10	
		<u>1,574,139.34</u>
Profit for the Year before Income Taxes.....		\$14,243,814.30
Provision for Federal and Pennsylvania Income Taxes (including \$4,680,000 for Federal excess profits tax).....		<u>8,296,200.00</u>
Profit for the Year.....		\$5,947,614.30
Equity of Minority Stockholders in net profit of The Midvale Com- pany.....		<u>1,541,964.97</u>
Net Profit Accrued to The Baldwin Locomotive Works Consolidated before deduction shown below.....		\$4,405,649.33
Deduct:		
Portion of Reserve for War Contingencies, \$700,000, provided by The Midvale Company, applicable to 61.45% of its capital stock owned by The Baldwin Locomotive Works.....		<u>430,150.00</u>
Balance Transferred to Consolidated Surplus.....		<u>\$3,975,499.33</u>

THE BALDWIN LOCOMOTIVE WORKS

CONSOLIDATED STATEMENT OF SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1941

	Consolidated Total	Including Subsidiaries other than Midvale	The Midvale Company
Capital Surplus:			
Balance, January 1, 1941.....	\$23,164,200.16	\$16,429,450.82	—
Excess of payments received for common stock over par value.....	40.00	40.00	—
Balance, December 31, 1941.....	<u>\$23,164,240.16</u>	<u>\$16,429,490.82</u>	—
Earned Surplus:			
Balance, January 1, 1941.....	\$2,227,914.87*	\$1,100,172.57*	\$3,728,667.86
Excess provision for income taxes for 1940.....	239,303.26	—	389,427.59
Balance of net profit for 1941 (after Reserve for War Contingencies, \$700,000, provided by The Midvale Company).....	3,975,499.33	3,356,913.88	3,304,050.42
	<u>\$6,442,717.46</u>	<u>\$4,457,086.45</u>	<u>\$7,422,145.87</u>
Less:			
Dividends Paid by:			
The Baldwin Locomotive Works on pre- ferred stock.....	\$163,029.30	\$163,029.30	—
The Midvale Company.....	—	—	\$2,297,402.00
Balance, December 31, 1941.....	<u>\$6,279,688.16</u>	<u>\$4,294,057.15</u>	<u>\$5,124,743.87</u>
Total Surplus, December 31, 1941.....	<u>\$29,443,928.32</u>	<u>\$20,723,547.97</u>	<u>\$5,124,743.87</u>

* Earned surplus since 1938.

CONSOLIDATED STATEMENT OF GENERAL RESERVE FOR THE YEAR ENDED DECEMBER 31, 1941

	Consolidated Total	Including Subsidiaries other than Midvale	The Midvale Company
Balance, January 1, 1941.....	\$1,917,452.32	\$100,912.93	\$1,816,539.39
Increase by:			
Charge to 1941 operations.....	214,001.88	47,001.88	167,000.00
Transfer of over-accruals of current liabilities at December 31, 1940.....	116,607.12	113,329.72	3,277.40
	<u>\$2,248,061.32</u>	<u>\$261,244.53</u>	<u>\$1,986,816.79</u>
Decrease by:			
Transfer to reserve for marketable securities.....	80,000.00	—	80,000.00
Balance, December 31, 1941.....	<u>\$2,168,061.32</u>	<u>\$261,244.53</u>	<u>\$1,906,816.79</u>

TO THE STOCKHOLDERS,
THE BALDWIN LOCOMOTIVE WORKS:

We have examined the consolidated balance sheet of The Baldwin Locomotive Works and its subsidiary companies as at December 31, 1941, and the consolidated statements of profit and loss, surplus and general reserve for the year then ended, have reviewed the systems of internal control and the accounting procedures of the Companies, except The Midvale Company, and without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence of the Companies examined by us, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

The accounts of The Midvale Company were examined by Messrs. Arthur Young & Company, a copy of whose report we received.

In our opinion, based upon such examination and upon the report of the aforementioned accountants, the accompanying consolidated balance sheet and the related consolidated statements of profit and loss, surplus and general reserve present fairly the consolidated positions of the Companies at December 31, 1941, and the consolidated results of their operations for the year 1941, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY

PHILADELPHIA, PENNA.

February 5, 1942.

THE BALDWIN LOCOMOTIVE WORKS

SALES REPRESENTATIVES AND AGENTS

WILLIAM H. HARMAN - VICE-PRESIDENT IN CHARGE OF SALES

DOMESTIC

STEWART McNAUGHTON - SALES MANAGER, LOCOMOTIVE DIVISION

CURTIS G. GREEN - ASSISTANT SALES MANAGER, LOCOMOTIVE
DIVISION - IN CHARGE DIESEL LOCOMOTIVE SALES

GUNTHER H. FROEBEL - SALES MANAGER, ORDNANCE AND GENERAL
PRODUCTS

JOS. G. BROZ - SALES MANAGER, DIESEL ENGINES

DISTRICT SALES MANAGERS

CHICAGO, ILL.	CHARLES RIDDELL	627 Railway Exchange
NEW YORK, N. Y.	JOSEPH F. HOERNER	120 Broadway
PORTLAND, ORE.	ARTHUR J. BEUTER	605 American Bank Bldg.
ST. LOUIS, MO.	A. B. MCCOY	1010 Pine Street
SAN FRANCISCO, CAL.	LATHAM McMULLIN	2910 Russ Building

WASHINGTON REPRESENTATIVE AND ASSISTANT TO THE VICE-PRESIDENT IN CHARGE OF SALES

CHARLES A. CAMPBELL
1036 Investment Building, 15th and K Streets, N. W.
WASHINGTON, D. C.

FOREIGN

CLYDE G. PINNEY - FOREIGN SALES MANAGER

ARGENTINA AND PARAGUAY... PASEO COLÓN 285
BUENOS AIRES, ARGENTINA..... Fiore-Co.

AUSTRALIA..... 31 REIBY PLACE,
SYDNEY, NEW SOUTH WALES.. R. TOWNS & Co. Pty. Ltd.
470 FLINDERS STREET,
MELBOURNE, C. I., VICTORIA... Newell & Co. Pty. Ltd.

FOREIGN REPRESENTATIVES AND AGENTS—(Continued)

BRAZIL.....	RUA MAYRINK VEIGA No. 6, RIO DE JANEIRO.....	Norton, Megaw & Co., Ltd.
CHILE AND BOLIVIA.....	CASILLA 86-D, SANTIAGO, VALPARAISO, CHILE.....	Wessel, Duval & Cia., S. A. C.
CHINA.....	21, 43 YUEN MING YUEN ROAD, SHANGHAI.....	Andersen, Meyer & Co., Ltd.
COLOMBIA.....	APARTADO POSTAL No. 1589, BOGOTA.....	Tomas Lopez
CUBA AND JAMAICA.....	APARTADO 109, HAVANA APARTADO 43, SAGUA LA GRANDE, CUBA....	Macfarlane Foundry & Honolulu Iron Works, S/A
ECUADOR.....	CASILLA DE CORREOS 297, QUITO.....	Andino & Gonzalez
GREAT BRITAIN AND EUROPEAN CONTINENT.....	26, VICTORIA STREET, WESTMINSTER, (Excluding Russia and Scandi- navia) LONDON, S. W. 1.....	Davis & Lloyd
HAWAIIAN ISLANDS.....	P. O. Box 3470, HONOLULU.....	C. Brewer & Co., Ltd.
INDIA, BURMA AND CEYLON...	5 DALHOUSIE SQUARE, CALCUTTA.....	L. Brooke Edwards
MEXICO.....	APARTADO 106 Bis. MEXICO, D. F.....	Paul G. Cheatham, Technical Representative
NEWFOUNDLAND.....	154 DUCKWORTH STREET, ST. JOHNS.....	Harold A. Walsh & Co.
NEW ZEALAND.....	P. O. Box 366, WELLINGTON.....	Philips & Pike, Ltd.
PERU.....	APARTADO 146, LIMA.....	Pedro Martinto
PUERTO RICO AND DOMINICAN REPUBLIC.....	BANCO POPULAR DE PUERTO RICO, SAN JUAN, P. R.....	Compañia Carrión, Inc.

DIVISIONS AND SUBSIDIARIES

LOCOMOTIVE AND ORDNANCE DIVISION

HALDWELL S. COLBY
Divisional Vice-President

LOCOMOTIVES
STEAM ELECTRIC DIESEL
STEAM BOILERS
WELDED TANKS AND PLATE FABRICATION
ORDNANCE MATERIEL

PLANT AT BALDWIN
EDDYSTONE, PENNSYLVANIA

STANDARD STEEL WORKS DIVISION

FRANK K. METZGER
Divisional Vice-President

STEEL FORGINGS STEEL CASTINGS STEEL TIRES
WROUGHT STEEL WHEELS STEEL SPRINGS

PLANT
BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

BALDWIN SOUTHWARK DIVISION

FREDERICK G. SCHRANZ
Divisional Vice-President

WATER POWER TURBINES HYDRAULIC PRESS MACHINERY
TESTING MACHINES SPECIAL MACHINERY
POWER TOOLS

PLANT AT BALDWIN
EDDYSTONE, PENNSYLVANIA

CRAMP BRASS AND IRON FOUNDRIES DIVISION

NORRIS H. SCHWENK
Divisional Vice-President

IRON, BRASS AND BRONZE CASTINGS
PARSONS' WHITE BRASS AND BABBITT METAL INGOTS

PLANT AT BALDWIN
EDDYSTONE, PENNSYLVANIA

THE WHITCOMB LOCOMOTIVE COMPANY

Incorporated under the Laws of the State of Delaware

OFFICERS

CHARLES E. BRINLEY
HAROLD V. HULEGUARD
CHARLES E. ACKER

President
Vice-President and General Manager
Secretary and Treasurer

INTERNAL COMBUSTION LOCOMOTIVES

FOR

INDUSTRIAL AND RAILWAY SERVICES

PLANT

ROCHELLE, ILLINOIS

THE PELTON WATER WHEEL COMPANY

Incorporated under the Laws of the State of California

OFFICERS

CHARLES E. BRINLEY
WILLIAM H. HARMAN
W. HORACE HOLCOMB
CHARLES E. ACKER

Chairman of the Board
President
Vice-President and General Manager
Secretary and Treasurer

WATER POWER TURBINES

HYDRAULIC VALVES

MISCELLANEOUS MACHINERY FOR IRRIGATION AND
PUBLIC UTILITY PROJECTS

PLANT

SAN FRANCISCO, CALIFORNIA

BALDWIN DE LA VERGNE SALES CORP.

Incorporated under the Laws of the State of New York

OFFICERS

CHARLES E. BRINLEY
WILLIAM H. HARMAN
CHARLES E. ACKER

President
Vice-President
Secretary and Treasurer

DIESEL ENGINES

THE MIDVALE COMPANY

Incorporated under the Laws of the State of Delaware

DIRECTORS

ARNOLD BERNHARD	New York, N. Y.
FRANCIS BRADLEY	Philadelphia, Pa.
CHARLES E. BRINLEY	Chestnut Hill, Pa.
JOSEPH N. EWING	Valley Forge, Pa.
HARRY L. FREVERT	Philadelphia, Pa.
JAMES E. GOWEN	Chestnut Hill, Pa.
STUART HAZLEWOOD	Bryn Mawr, Pa.
EDWARD HOPKINSON, JR.	Chestnut Hill, Pa.
CONRAD N. LAUER	Penlynn, Pa.
ROBERT C. SHIELDS	Detroit, Mich.
JOSEPH WAYNE, JR.	Philadelphia, Pa.

OFFICERS

CHARLES E. BRINLEY	Chairman of the Board
HARRY L. FREVERT	President
FRANCIS BRADLEY	Vice-President
STUART HAZLEWOOD	Vice-President in Charge of Sales
CHARLES E. ACKER	Secretary
THOMAS A. SAPPINGTON	Treasurer and Assistant Secretary

HEAVY FORGINGS OF CARBON AND ALLOY STEELS
TOOL STEEL, INCLUDING HIGH SPEED STEEL
HARDENED AND GROUND STEEL ROLLS
STEEL TIRES AND WELDLESS RINGS
HIGH ALLOY STEEL CASTINGS
ALLOY STEEL BARS
ARMOR PLATE
ORDNANCE

PLANT

NICETOWN, PHILADELPHIA



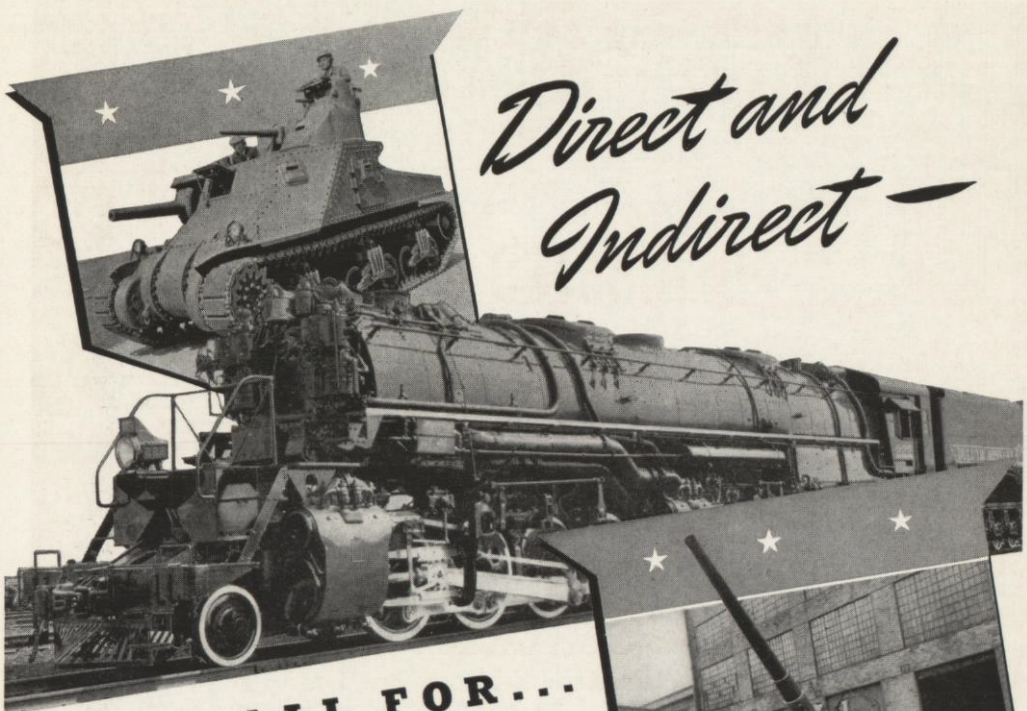
DEDICATED TO THE DEFENSE OF DEMOCRACY

As a stockholder you recently received a publication entitled, "The Baldwin Group in Production for Defense," which indicated pictorially the many ways in which your Company is contributing to America's war effort.

While this same message has formed the theme of much of the Baldwin advertising placed during the past year in railway and machinery trade journals, attention also has been directed to the importance of Baldwin's regular products and their inherent value in the war program. A number of these advertisements are reproduced as a part of this report.


Today, your company has a dual responsibility, first as a manufacturer of the materials of war supplied directly to the Army and Navy of the United States and, second, as a builder of equipment and tools needed by the railroads and other industries whose services and products are vital in the National emergency.

To this dual task Baldwin is devoting all of its resources and energies.



*Direct and
Indirect -*

BUT ALL FOR...
National Defense

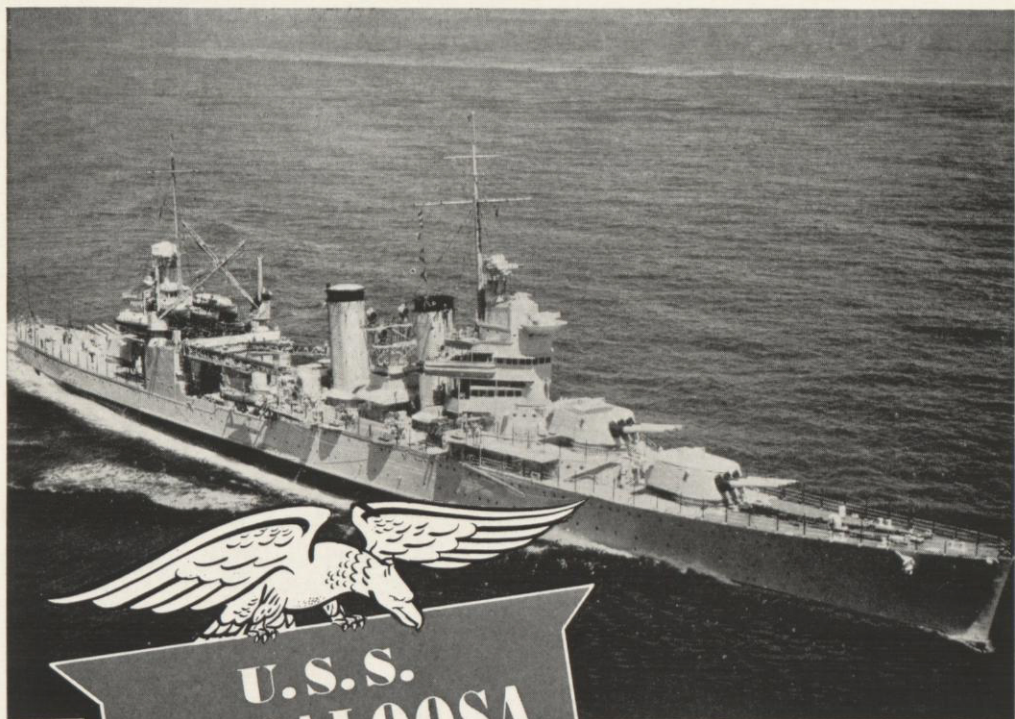


Mmilitary tanks and railway gun mounts are two of the many items of *direct* National Defense materials, the manufacture of which our Government has entrusted to The Baldwin Locomotive Works. ★ In addition Baldwin is manufacturing a wide variety of products each of which, in its own way, is just as vital as military supplies. ★ Foremost in this group is the locomotive without which the rapid mass transportation of raw materials and finished products would be impossible. ★ The modern steam locomotive—with its increased speed, efficiency and economy of operation—is playing a large part in the fine record now being made by the railroads of the United States.



THE BALDWIN LOCOMOTIVE WORKS

Philadelphia



U. S. S. Tuscaloosa built by New York Shipbuilding Corporation.




Like the U. S. S. Tuscaloosa, many combatant and non-combatant vessels of our Navy, from battleships to submarines, are equipped with Cramp propellers of Parsons' Manganese Bronze made by the Cement Process of Molding.



CRAMP BRASS & IRON FOUNDRIES

DIVISION OF THE BALDWIN LOCOMOTIVE WORKS
P H I L A D E L P H I A

Other Members of the Baldwin Group • THE BALDWIN LOCOMOTIVE WORKS
BALDWIN SOUTHWARK DIVISION • THE PELTON WATER WHEEL COMPANY
BALDWIN DE LA VERGNE SALES CORP. • THE WHITCOMB LOCOMOTIVE COMPANY
THE MIDVALE COMPANY • STANDARD STEEL WORKS DIVISION



210
75-MM SHELL FORGINGS
Per Hour

**In the Southwark equipped
hydraulic shell plant of
National Supply Company**

These two Southwark hydraulic piercing presses and the Southwark Hyspeed hydraulic drawing press are producing 75-mm shell forgings at the rate of 210 per hour. Piercing dies on this installation are of the inverted type, self-ejecting. 105-mm forgings have been produced on this same equipment at the rate of 150 per hour.

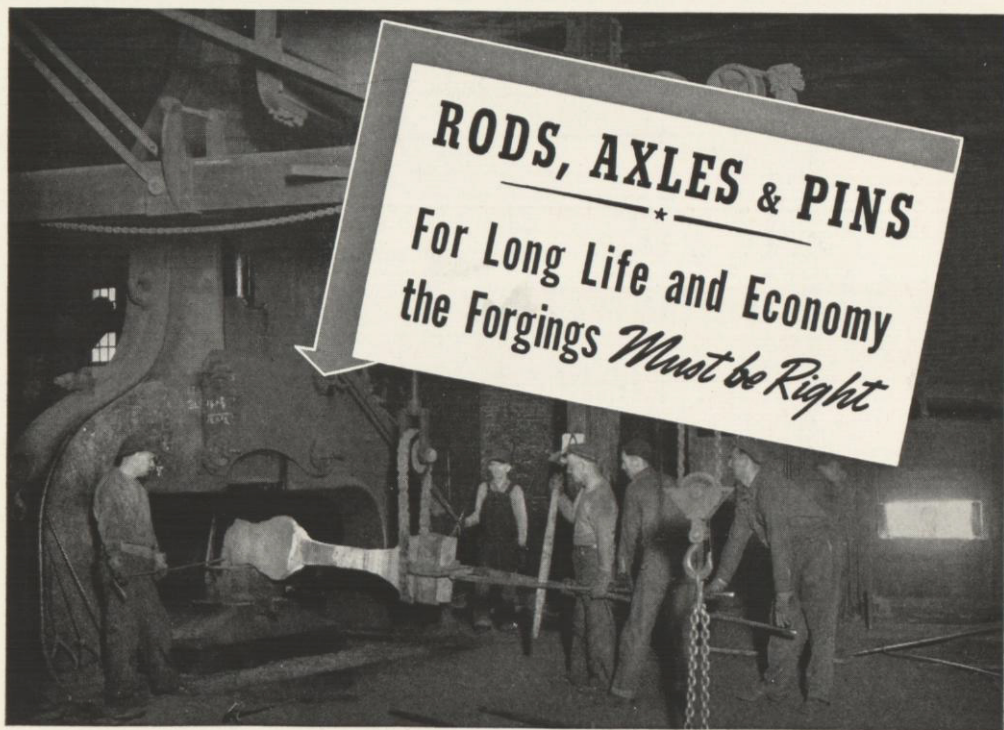
Southwark builds a complete line of shell forging shop equipment. Whatever your requirements, it will pay you to consult with Southwark.

Baldwin Southwark Division, The Baldwin Locomotive Works, Philadelphia; Pacific Coast Representative, The Pelton Water Wheel Co., San Francisco.

*Baldwin
Southwark*

DIVISION OF
THE BALDWIN LOCOMOTIVE WORKS
P H I L A D E L P H I A





RODS, AXLES & PINS
 *
 For Long Life and Economy
the Forgings Must be Right

The true cost of locomotive connecting rods, piston rods, axles and crank pins can only be measured by the service they give. Long life and satisfactory service depend in a major degree on good steel and expert craftsmanship.

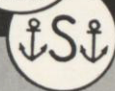
For more than half a century, *Standard* forgings have been "riding the rails." Are you taking advantage of the experience built into every "Standard" forging?

CASTINGS • FORGINGS • TIRES • SPRINGS • WROUGHT STEEL WHEELS

STANDARD STEEL WORKS

Division of THE BALDWIN LOCOMOTIVE WORKS
 P H I L A D E L P H I A

Other Members of the Baldwin Group • THE BALDWIN LOCOMOTIVE WORKS
 BALDWIN SOUTHWARK DIVISION • THE PELTON WATER WHEEL COMPANY
 BALDWIN DE LA VERGNE SALES CORP. • THE WHITCOMB LOCOMOTIVE COMPANY
 THE MIDVALE COMPANY • CRAMP BRASS AND IRON FOUNDRIES DIVISION



Look to the LEADER

for the really important developments
in physical testing methods and equipment

PIONEER builders of many of the machines which are now standard equipment for testing soils, asphalt, concrete, wood and metals; producers of the accepted testing machine for the



cement and concrete industry; and developers of the high magnification stress-strain recorder, Baldwin Southwark has contributed materially to



the advancement of physical testing.

Our present line includes a wide variety of physical testing machines and instruments for both static and



dynamic strain measurement and stress analysis.

But our work is not done—develop-



ment will continue. With the cooperation of Industry we are applying to the development of testing equipment the

knowledge acquired by our organization through long years of experience in the materials testing field.

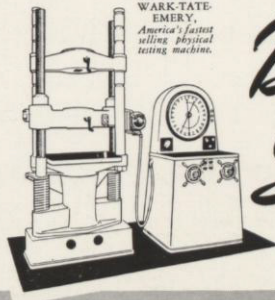


Baldwin Southwark Division, The Baldwin Locomotive Works, Philadelphia; Pacific Coast Representative, The Pelton Water Wheel Co., San Francisco.

WRITE
TODAY
FOR
BULLETIN
107



THE SOUTH-
WARK-TATE-
EMERY,
America's fastest
selling physical
testing machine.



Baldwin Southwark

DIVISION OF
THE BALDWIN LOCOMOTIVE WORKS
PHILADELPHIA

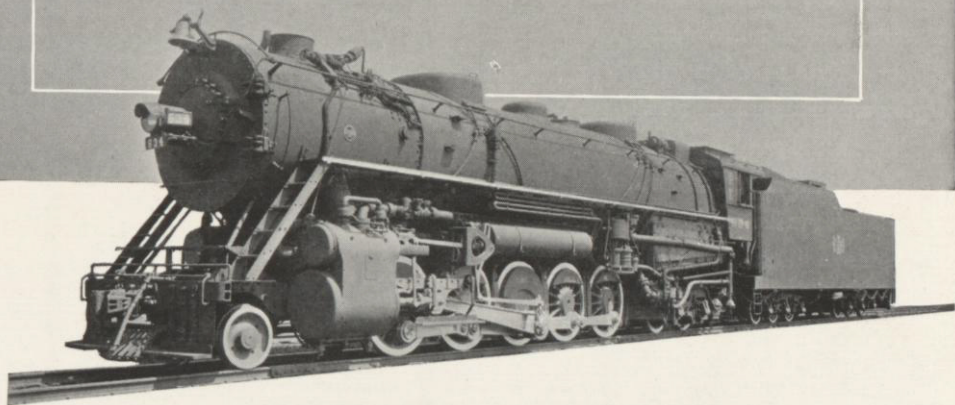




MORE POWER FOR HAULING

Iron Ore and Coal

BESSEMER AND LAKE ERIE
ADDS FIVE NEW FREIGHT LOCOMOTIVES



For many years the Bessemer and Lake Erie Railroad has used powerful 2-10-4 type locomotives, built by Baldwin, to haul coal and iron ore between Lake Erie ports and the Pittsburgh district.

Today, in a time of National emer-

gency, the speedy, uninterrupted flow of this material becomes more vital than ever before.

Baldwin has just delivered five more of these powerful freight locomotives to help speed this traffic.



THE BALDWIN LOCOMOTIVE WORKS

Philadelphia



BALDWIN
Diesel Electric
SERVING
34 RAILROADS

BALDWIN
Diesel Electric

MEANS BETTER SERVICE
AND LOWER COSTS IN
SWITCHING OPERATIONS

Akron & Barberton Belt R.R.
Atchison, Topeka & Santa Fe Ry.
Atlantic Coast Line RR.
Central of Georgia Ry.
Central RR. Co. of N. J.
Chicago, Milwaukee, St. Paul & Pacific R.R.
Chicago Short Line Ry.
Denver & Rio Grande Western R.R.
Elgin, Joliet & Eastern Ry.
Great Northern Ry.
Kentucky & Indiana Terminal R.R.
Litchfield & Madison Ry.
Louisville & Nashville R.R.
Macon, Dublin & Savannah R.R.
Minneapolis & St. Louis R.R.
Minneapolis, Northfield & Southern Ry.
Missouri Pacific Lines
Nashville, Chattanooga & St. Louis Ry.
New Orleans Public Belt R.R.
New York Central R.R.
Northern Pacific Ry.
Patapsco & Back Rivers R.R.
Reading Company
Seaboard Air Line Ry.
Southern Pacific Company
Southern Railway
Spokane, Portland & Seattle Ry.
St. Louis-San Francisco Ry.
Terminal Railroad Association of St. Louis
Texas-Mexican Ry.
Union Railroad
Upper Merion & Plymouth R.R.
Wabash Ry.
Western Maryland Ry.

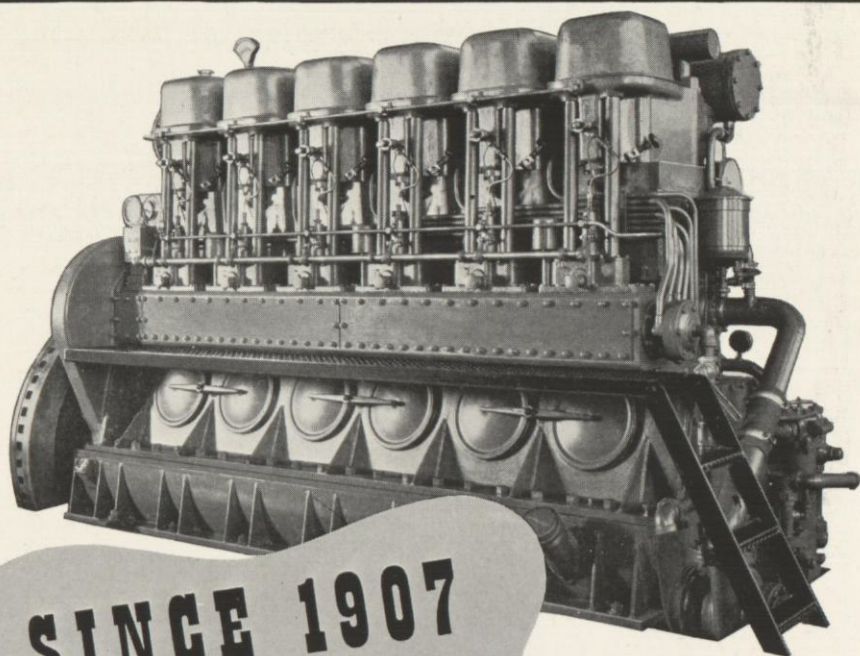


Baldwin Diesel-Electrics
are powered by De Lo
Vergne, 4-cycle Diesel
Engines and Westinghouse
Electrical transmission.

THE BALDWIN LOCOMOTIVE WORKS

P H I L A D E L P H I A





SINCE 1907

De La Vergne

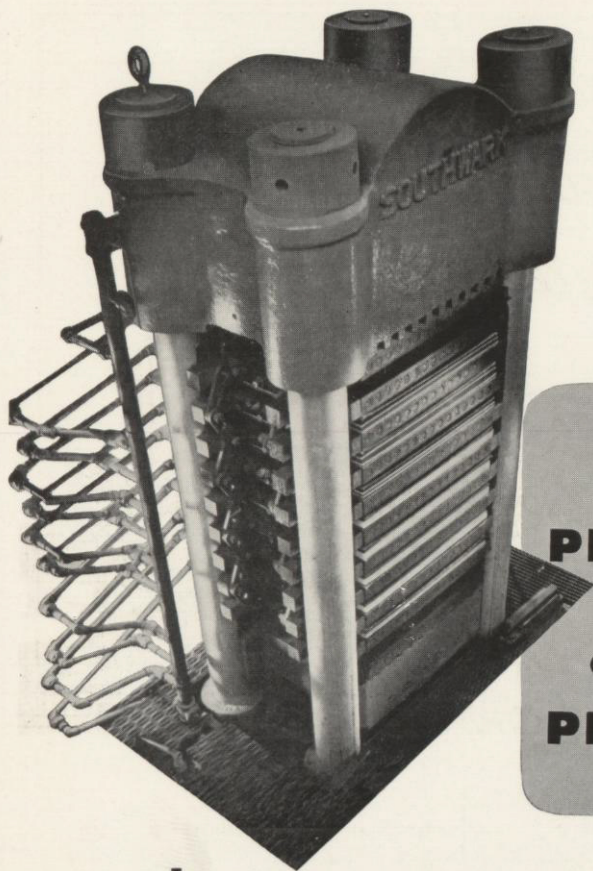
**ENGINES HAVE POWERED
THE NATION'S VITAL
OIL PIPE LINES**

In this "unlimited
national emer-
gency" De La Vergne diesel
engines offer you the cumulative experi-
ence of 34 years in this specialized service.

Baldwin De La Vergne
SALES CORP.



SUBSIDIARY OF THE BALDWIN LOCOMOTIVE WORKS
PHILADELPHIA



Behind
PRODUCTION
Stands Press
PERFORMANCE

Increased requirements for plastic molded articles call for presses *rugged* enough to stand production demands placed upon them, *accurate* in performance to maintain highest quality, and *economical* in operation and maintenance so that unit cost can be kept low.

Southwark hydraulic plastics molding presses

have proven their reliability, have shown the way to reduced production costs, have helped many a company do a better job — more economically.

Baldwin Southwark Division of The Baldwin Locomotive Works, Philadelphia; Pacific Coast Representative, The Pelton Water Wheel Co., San Francisco.

Baldwin Southwark



DIVISION OF THE BALDWIN LOCOMOTIVE WORKS
 PHILADELPHIA

*Better Performance -
Greater Economy*



During the past 20 years great improvements have been made in steam locomotive design; reducing fuel consumption 33.1 per cent, increasing speeds, shortening schedules. Since the turn of the century the horsepower output per ton of locomotive weight has been practically doubled, while the consumption of fuel and water per

horsepower-hour has been reduced approximately 50 per cent.

Working in conjunction with America's railroads for more than a century Baldwin has played an important part in the development and production of modern locomotives—locomotives that have outstanding earning capacity—that are truly profitable investments.



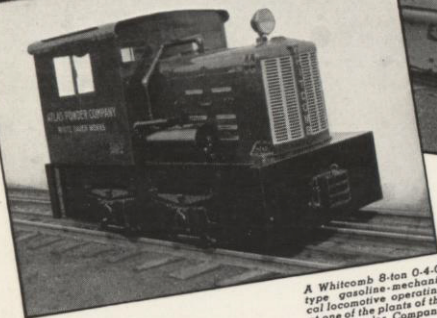
THE BALDWIN LOCOMOTIVE WORKS

Philadelphia

WHITCOMB LOCOMOTIVES

helping to produce

EXPLOSIVES



A Whitcomb 8-ton 0-4-0 type gasoline-mechanical locomotive operating at one of the plants of the Atlas Powder Company.

STEEL



Whitcomb 50-ton Diesel Electric Switching locomotive in operation in a large steel mill.

ALUMINUM



A Whitcomb 30-ton Diesel Hydraulic locomotive used at the mines of the Republic Mining & Manufacturing Company, a Division of Aluminum Company of America.

Whitcomb internal combustion locomotives are today playing their part in the production of urgently needed raw materials and manufactured products. This is in addition to the less spectacular but equally important service Whitcombs are performing in every-day railroad operation around busy freight yards and terminals. Whitcomb locomotives offer high availability and economy in operation. With internal combustion power no time is lost getting up steam, blowing down boilers, cleaning fires or handling coal and ashes.

Whitcomb advantages include: high starting torque, smooth rapid acceleration, accessibility for inspection and high degree of visibility for the operator.

The complete Whitcomb line includes—

Diesel and Gasoline Locomotives: mechanical or hydraulic Transmission on locomotives weighing up to 40 tons; electrical transmission from 10 tons up.

Electric Locomotives: storage battery locomotives 1¾ tons to 12 tons in weight; trolley operation from 6 tons up.

The Whitcomb Locomotive Company, Rochelle, Illinois. Subsidiary of The Baldwin Locomotive Works.

THE WHITCOMB LOCOMOTIVE COMPANY

R O C H E L L E , I L L .

Subsidiary of

THE BALDWIN LOCOMOTIVE WORKS



Nature's Powerhouse



Nature's resources, harnessed by the genius of man, are helping to keep America free. From the most remote mountain tops comes the kinetic energy of melted snows . . . awaiting the application of engineering genius for the production of electric power.

Pelton's part in the national defense is the design and construction of hydraulic prime movers for most efficient use of the nation's vast water resources, a purpose to which our extensive engineering and plant facilities are unreservedly devoted.

The Pelton Water Wheel Company,
2929 Nineteenth St., San Francisco,
California. Subsidiary of The Baldwin
Locomotive Works.

THE PELTON WATER WHEEL COMPANY

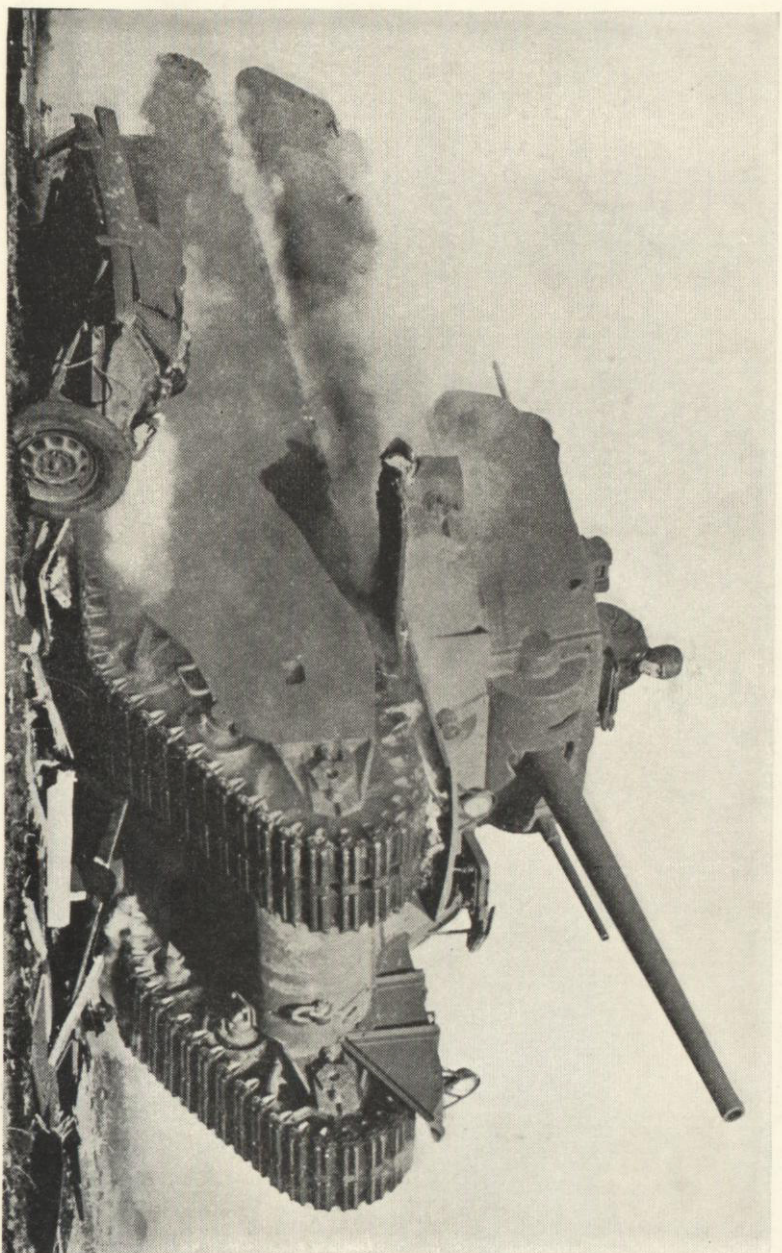


Subsidiary of

THE BALDWIN LOCOMOTIVE WORKS

2929 Nineteenth Street, San Francisco

EXCLUSIVE WESTERN REPRESENTATIVES for Baldwin-Southwark Division of The Baldwin Locomotive Works, Baldwin De La Vergne Sales Corp., Woodward Governor Co., Cone Valve Division, Chapman Mfg. Co., and Carbondale Division, Worthington Pump & Machinery Corp.



America's First 60-Ton Tank—Built by The Baldwin Locomotive Works